

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 23-MD-3076-MOORE/Sanchez

IN RE

FTX CRYPTOCURRENCY EXCHANGE
COLLAPSE LITIGATION

This Document Relates to All Actions

**AUDITOR DEFENDANTS' RESPONSE TO
PLAINTIFFS' NOTICE OF SUPPLEMENTAL AUTHORITY [D.E. 559]**

Plaintiffs' Notice violates Local Rule 7.8 because it is 276 words and fails to cite "the page of the motion" to which it relates. *See* L.R. 7.8.

Regardless, the *Silvergate* decision is inapposite as to the Auditor Defendants. There, plaintiffs alleged Silvergate Bank, which held deposits and processed transactions on behalf of all FTX and Alameda entities, obtained behind-the-scenes knowledge of *all* these entities' suspicious transfers of customers' funds through banking-specific compliance and due diligence, and developed the "SEN" network, facilitating customer participation in FTX. Further, plaintiffs alleged Silvergate profited from holding FTX's customers' deposits, showing Silvergate "had a strong incentive to continue" facilitating FTX's business, and its interests were "tightly intertwined" with FTX's. (D.E. 559-1 at *20, *27).

In contrast, Plaintiffs here make no such allegations as to the *independent* auditors for FTX US and FTX Trading, failing to allege either auditor (1) held or directly benefitted from customers' deposits; (2) applied banking-specific diligence, providing them actual knowledge of FTX Insiders' fraud; or (3) developed programs facilitating customer participation in FTX. Thus,

Plaintiffs fail to allege the Auditor Defendants had a “strong incentive” to help FTX carry out its fraudulent activity, or that their interests were “intertwined” with FTX’s.

Dated: April 3, 2024

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that on April 3, 2024, I filed a true and correct copy of the foregoing with the Clerk of Court via CM/ECF, which will send notice of the same to all counsel and parties of record.

/s/ Tom K. Schulte